

Message Text

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PAGE 01 NEW DE 01398 270646Z
ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-06 ITC-01 USIA-06 PRS-01 SP-02 SOE-02
OMB-01 DOE-11 OIC-02 /101 W
-----047690 270700Z /13

O R 270612Z JAN 78
FM AMEMBASSY NEW DELHI
TO USMISSION GENEVA IMMEDIATE
SECSTATE WASHDC 9011
INFO AMEMBASSY ISLAMABAD

LIMITED OFFICIAL USE NEW DELHI 1398

E.O. 11652: N/A
TAGS: ETRD, EFIN, GATT, IN
SUBJECT: GATT BOP CONSULTATION WITH INDIA

REF: STATE 17170

1. EMBOFF INFORMED MINCOMMERCE JOINT SECRETARY SHUKLA ON JANUARY 25 OF US INTENTION TO REQUEST FULL BOP CONSULTATION. IN STRESSING USG'S NON-CONFRONTATIONAL APPROACH TO SUCH A CONSULTATION, EMBOFF POINTED TO DRAMATIC DEVELOPMENTS IN INDIA'S TRADE BALANCE DURING THE LAST FOUR YEARS AND THE COMPLEXITY OF THE TRADING ENVIRONMENT IT WILL FACE IN THE MEDIUM TERM FUTURE. USG RECOGNIZED THAT GOI HAD ALREADY LIBERALIZED ITS IMPORT POLICY IN RESPONSE TO FAVORABLE FOREIGN EXCHANGE POSITION AND WE HAD BEEN INFORMED THAT FURTHER MAJOR LIBERALIZATION WOULD BE PROPOSED BY ALEXANDER COMMITTEE. FULL DISCUSSION OF GOI'S PAYMENTS SITUATION WAS WARRANTED BY THESE DEVELOPMENTS EVEN IN THE ABSENCE OF ANY PRESUPPOSITION THAT GOI'S POLICY WAS IN ERROR. EMBOFF ALSO RECALLED THE IMPORTANCE US GAVE TO STRENGTHENING THE BOP COMMITTEE AS THE PRE-LIMITED OFFICIAL USE

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FERRED FORUM FOR THE MULTILATERAL REVIEW OF SIGNIFICANT BOP DEVELOPMENTS.

2. SHUKLA AND HIS DEPUTY, A. HODA (RECENTLY RETURNED FROM GENEVA), TOOK THE NEWS OF US POSITION WITHOUT A STRONG NEGATIVE REACTION. SHUKLA SAID THAT GOI WAS WILLING TO GO THROUGH WITH A FULL CONSULTATION "IF OTHERS INSISTED." HODA EXPLAINED

THAT GOI FELT THAT A FULL CONSULTATION WAS NOT WORTH-WHILE
IF, AS IT APPEARED, NO POSITIVE CHANGES WOULD COME OUT OF
IT. WHILE NOT HAPPY WITH US POSITION, THEY APPEARED TO ACCEPT
PROSPECT OF FULL CONSULTATION.

3. COMMENT: EMBASSY WILL CONTINUE TO REPORT ON INDIA'S
BALANCE OF TRADE AND BALANCE OF PAYMENTS ON REGULAR BASIS.
WE WOULD AT THIS POINT ONLY CALL ATTENTION TO THE FACT THAT
IMPORT LIBERALIZATION OF LAST YEAR HAS NOT CAUSED IMPORTS TO
RISE AS MUCH AS GOI WISHED. THERE IS A GOOD POSSIBILITY THAT
FURTHER LIBERALIZATION EXPECTED IN ANNUAL IMPORT POLICY STATE-
MENT ON APRIL 1 WILL SIMILARLY HAVE LITTLE NEAR TERM EFFECT
BECAUSE OF INSUFFICIENT DOMESTIC DEMAND AND INVESTMENT.
GOHEEN

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: TRADE BALANCE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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ISecure: 1
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Litigation History:
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TAGS: ETRD, EFIN, IN, GATT
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